

RECEIVED

2005 OCT -5 AM 10: 56

T.R.A. DOCKET ROOM

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

October 5, 2005

IN RE:

ATMOS ENERGY CORPORATION

WEATHER NORMALIZATION ADJ. (WNA) AUDIT)

)

)

) Docket No. 05-00177

**NOTICE OF CORRECTION OF FILING BY THE UTILITIES DIVISION
OF THE TENNESSEE REGULATORY AUTHORITY**

The Utilities Division of the Tennessee Regulatory Authority (the "Utilities Division") hereby gives notice of its filing of a correction to the Atmos Energy Corporation WNA Audit Report (the "Report") originally filed in this docket and would respectfully state as follows:

1. The attached corrected page 3 (Attachment 1) of the Report is filed to correct page 3 of the Report originally filed in this docket on September 26, 2005.
2. This page corrects the phrase "8.19% colder in the Nashville area" by replacement with the phrase "13.42% warmer in the Nashville area" to accurately reflect the information contained in the Nashville table shown on page 5 of the Report.
3. The Utilities Division hereby files its correction to the Report with the Tennessee Regulatory Authority for deposit as a public record.

Respectfully Submitted:

A handwritten signature in cursive script, reading "Pat Murphy", written in black ink.

Pat Murphy
Utilities Division of the
Tennessee Regulatory Authority

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of October, 2005, a true and exact copy of the foregoing has been either hand-delivered or delivered via U.S. Mail, postage pre-paid, to the following persons:

Ron Jones
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

Ms. Patricia Childers
Vice President of Regulatory Affairs
Atmos Energy Corporation
810 Crescent Centre, Suite 600
Franklin, TN 37067-6226

Mr. Allen Ashburn
Senior Analyst
Atmos Energy Corporation
381 Riverside Drive, Suite 440
Franklin, TN 37064-5393



Pat Murphy

In setting rates, the Tennessee Regulatory Authority uses a normalized level of revenues and expenses for a test year, which is designed to be the most reasonable estimate of the Company's operations during the time the rates are to be in effect. Use of normalized operating levels eliminates unusual fluctuations that may occur during the test period, which causes rates to be set too high or too low.

Specifically, one part of normalizing revenues consists of either increasing or decreasing the test year weather related sales volumes to reflect the difference between the normal and actual heating degree days. (A heating degree day is calculated as the difference in the average daily temperature and 65 degrees Fahrenheit.) This average daily temperature constitutes normal weather and is determined based on the previous thirty years weather data.

However, normal weather rarely occurs. This has two impacts:

- (1) The customers' bills fluctuate dramatically due to changes in weather from month to month; and
- (2) The gas companies earn more or less than their authorized rate of return. For example, if weather is colder than normal, then more gas than anticipated in the rate case will be sold. This results in higher customer bills and overearnings for the company. On the other hand, if weather is warmer than normal, less gas than anticipated in the rate case will be sold, the customers' bills will be lower and the company will underearn.

In recognition of this fact, the TRA approved an experimental WNA mechanism, which became permanent on June 21, 1994, to reduce the impact abnormal weather has on the customers' bills and on the gas utilities' operations. In periods of weather colder than normal, the customer receives a credit on his bill, while in periods of warmer than normal weather, the customer is billed a surcharge. Thus, customers' monthly bills should not fluctuate as dramatically and the gas company should have a more stable rate of return.

V. IMPACT OF WEATHER NORMALIZATION ADJUSTMENT RIDER

The graphs appearing at the end of this section show a comparison of actual heating degree days to normal heating degree days for Atmos Energy Corporation during the 2004 - 2005 heating season, in each of its four service areas. During the past winter, overall, weather was 7.57% warmer in the Bristol area, 11.39% warmer in the Knoxville area, 13.42% warmer in the Nashville area, and 6.82% warmer in the Paducah area. The following tables show a comparison of the actual degree days (ADD) to normal degree days (NDD) by month for the four weather stations.

ATTACHMENT 1